

Message Text

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PAGE 01 MEXICO 09706 150003Z
ACTION EB-07

INFO OCT-01 ARA-14 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01
CIAE-00 COME-00 EPG-02 DODE-00 FPC-01 H-02 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15
OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-10 SIL-01
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FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 2838
INFO ALL UCNS MEXICO (BY POUCH)

UNCLAS MEXICO 09706

EO 11652: N/A
TAGS: ENRG, BENC, EALR, MX
SUBJECT: PEMEX PLANS TO EXPLOIT ITS OIL RESERVES

1. SUMMARY. IN ITS EFFORTS TO INCREASE PETROLEUM PRODUCTION, PEMEX HAS ASKED A U.S. COMPANY ABOUT THE POSSIBILITY OF BUILDING SUBSTANTIAL SIZED PRODUCTION PLATFORMS IN MEXICO. ANOTHER COMPANY THINKS IT WILL BE ABLE TO DO ON-SHORE WORKOVER DRILLING AND WELL COMPLETION, ACTIVITIES HERETOFORE THE EXCLUSIVE DOMAIN OF PEMEX'S POWERFUL LABOR UNION. END SUMMARY.

2. REPRESENTATIVE OF BROWN AND ROOT TOLD PETOFF HIS FIRM HAS BEEN HIRED BY PEMEX TO STUDY THE FEASIBILITY OF CONSTRUCTING OFF-SHORE PRODUCTION PLATFORMS IN MEXICO. IN THE EXPECTATION THAT THEY WILL BE INVOLVED IN SUPERVISING CONSTRUCTION, THEY ARE IN THE PROCESS OF FORMING A JOINT VENTURE WITH A NEWLY ORGANIZED MEXICAN FIRM, PROYECTOS MARINOS. THE PLATFORMS WOULD COST ABOUT \$25 TO \$30 MILLION EACH AND, DEPENDING ON THE SOPHISTICATION OF THE DESIGN, WOULD REQUIRE ONLY ABOUT 20 PERCENT IMPORTED UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MEXICO 09706 150003Z

EQUIPMENT. THE PLATFORMS COULD BE BUILT AT A RATE OF ABOUT TWO PER YEAR IN EXISTING FACILITIES. IF PEMEX WANTS THEM FASTER THAN THAT, IT WOULD HAVE TO BUY THEM ABROAD. PLATFORMS WOULD HAVE 12 WELLS EACH AND COULD OPERATE IN UP TO 150 M OF WATER.

3. ENSEARCH ENERGY, INC., OF WASHINGTON, D.C. IS LOOKING

INTO THE POSSIBILITY OF FORMING A JOINT VENTURE WITH
PERFORACIONES MARINAS DEL GOLFO (PERMARGO) TO DO ON-SHORE
DRILLING THROUGH ITS POOL CO. SUBSIDIARY. PERMARGO
CURRENTLY OPERATES A NUMBER OF BARGE MOUNTED RIGS UNDER
CONTRACT TO PEMEX. PEMEX DIRECTOR GENERAL JORGE DIAZ
SERRANO WAS THE PRINCIPAL SHAREHOLDER IN PERMARGO BUT
LIQUIDATED HIS HOLDINGS IN OCTOBER, 1975. PERMARGO
ESTIMATES THAT THERE IS ABOUT A 60 PERCENT CHANCE THAT
AGREEMENT CAN BE REACHED AND EXPECTS TO HAVE AN ANSWER IN
ABOUT FOUR WEEKS. ENSERCH FIGURES THEY COULD
EVENTUALLY HAVE 15 TO 25 RIGS DOING PRIMARILY WORKOVER
BUT POSSIBLY ALSO PRODUCTION WELL DRILLING AND WELL
COMPLETION. ENSERCH OFFICIAL IS RECOMMEND-
ING THAT HIS COMPANY PROCEED WITH FURTHER DISCUSSIONS AT
THE TECHNICAL LEVEL AND AGREED TO KEEP THE EMBASSY
INFORMED.

4. DISCUSSIONS ON CONTRACT DRILLING ARE UNDERWAY BETWEEN
PEMEX AND ITS UNION AS THE UNION HAS HAD A MONOPOLY ON
ON-SHORE DRILLING SINCE ABOUT 1970. THE UNION WOULD HAVE
TO GIVE ITS APPROVAL TO ANY CONTRACT DRILLING SINCE IT
WOULD ALMOST CERTAINLY INVOLVE NON-UNION PERSONNEL. IN A
RELATED MANNER, EMBOFFS WERE TOLD PEMEX DOES NOT EXPECT
TO ENCOUNTER LABOR PROBLEMS IF IT NEEDS TO USE FOREIGN
CONTRACTORS TO BUILD ITS PROPOSED GAS PIPELINE.

THOMPSON

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Message Attributes

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Disposition Event:
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